

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 5-27-97

(Filing No. H-693)

REPORT A
LABOR

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1080, L.D. 1517, Bill, "An Act to Enhance the Collection of Unemployment Benefit Overpayments"

Amend the bill in section 1 in paragraph C in the first paragraph in the 2nd line (page 1, line 6 in L.D.) by inserting after the following: "commissioner" the following: ', as a result of nondisclosure or misrepresentation,'

Further amend the bill in section 1 in paragraph C in the first paragraph in the 4th line (page 1, line 8 in L.D.) by striking out the following: "\$500" and inserting in its place the following: '\$100'

Further amend the bill in section 1 in paragraph C in subparagraph (3) in the first line (page 1, line 25 in L.D.) by inserting after the following: "review" the following: 'by the commission'

Further amend the bill in section 1 in paragraph C in subparagraph (4) in the 4th line (page 1, line 41 in L.D.) by inserting after the following: "wages" the following: ', except that the amount withheld may not exceed an amount by which the individual's disposable earnings are reduced to a weekly equivalent of 40 times the federal hourly minimum wage prescribed by 29 United States Code, Section 206(a)(1)'

Further amend the bill in section 1 in paragraph C in subparagraph (6) in the 4th line (page 2 line 4 in L.D.) by striking out the following: "his or her" and inserting in its place the following: 'that employee's'

COMMITTEE AMENDMENT

2 Further amend the bill in section 1 in paragraph C in
subparagraph (6) in the last line (page 2, line 5 in L.D.) by
4 striking out the following: "section" and inserting in its place
the following: 'subparagraph'

6
8 Further amend the bill in section 2 in subsection 8 by
striking out all of paragraph A (page 2, lines 13 to 44 in L.D.)
and inserting in its place the following:

10
12 'A. The commissioner shall periodically notify the
Department of Administrative and Financial Services, Bureau
of Alcoholic Beverages and Lottery Operations, referred to
in this paragraph as the "bureau," of all persons who owe
the Department of Labor an unemployment compensation debt
that has been liquidated by judicial or administrative
action. Before paying any state lottery winnings that must
be paid directly by the bureau, the bureau shall determine
whether the lottery winner is on the list of persons who owe
to the State an unemployment compensation debt that has been
liquidated by judicial or administrative action. If the
winner is on a list of persons who owe unemployment
compensation debts, the bureau shall suspend payment of
winnings and notify the winner of its intention to offset
the winner's unemployment compensation debt against the
winnings. The bureau shall notify the winner of the
winner's right to appeal to the Commissioner of Labor
pursuant to Title 5, chapter 375. The winner must appeal in
writing within 15 days of receipt of that notice. The
hearing is limited to the questions of whether the debt is
liquidated and whether postliquidation events have affected
the winner's liability. The decision of the Department of
Labor as to the existence of a liquidated debt constitutes
final agency action. If, within 90 days of the notice of
intended setoff to the winner, the Department of Labor
certifies to the bureau that the winner did not make a
timely request for hearing or that a hearing was held and
the debt was upheld, the bureau shall offset the liquidated
debt against the winnings due to the winner. Any remaining
winnings are paid to the winner. If the bureau does not
hear from the Department of Labor within 90 days of the
notice of intended setoff to the winner, the bureau shall
release all winnings to the winner.'

44
46 Further amend the bill by inserting at the end before the
summary the following:

FISCAL NOTE

2

4 Allowing the Department of Labor to recover overpayment of
unemployment benefits through wage garnishment and the offset of
6 lottery winnings will increase funds that are reimbursed to the
Unemployment Compensation Trust Fund. The amounts cannot be
determined at this time.

8

10 The additional costs associated with offsetting the lottery
winnings of persons who owe unemployment compensation debts can
12 be absorbed by the Department of Administrative and Financial
Services, Bureau of Alcoholic Beverages and Lottery Operations
utilizing existing budgeted resources.

14

16 This bill may increase the number of civil suits filed in
the court system. The additional workload and administrative
18 costs associated with the minimal number of new cases filed can
be absorbed within the budgeted resources of the Judicial
Department. The collection of additional filing fees may also
20 increase General Fund revenue by minor amounts.'

22

SUMMARY

24

26 This amendment is the majority report of the committee. The
amendment clarifies that the withholding order may be issued only
28 if the overpayment results from nondisclosure or
misrepresentation. The amendment lowers from \$500 to \$100 the
minimum amount of debt with respect to which a withholding order
30 may be issued. It also clarifies the process by which an
individual may seek a review of a notice of debt accrued, and it
32 places a floor of 40 times the federal minimum wage under which
withholding may not take the individual's weekly disposable
34 income. It clarifies the intent of the original bill to limit an
employee's right of civil action against the employer to a
36 circumstance in which the employer has discharged the employee
because of a withholding order. The amendment corrects a
38 reference to a department and a bureau. The amendment also adds
a fiscal note to the bill.